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RUEHBU/AMEMBASSY BUENOS AIRES 4629
RUEHMN/AMEMBASSY MONTEVIDEO 6779
RUEHAC/AMEMBASSY ASUNCION 5976
RUEAWJA/DOJ WASHDC
RUEABND/DEA WASHDC
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SUBJECT: AMBASSADOR MEETS WITH SENIOR BRAZILIAN POLICYMAKERS PRIOR TO POTUS VISIT

¶1. (SBU) Summary. On February 27, the Ambassador met (separately) with three influential GOB policymakers: Minister of Justice Marcio Thomaz Bastos, MFA U/S for Political Affairs Everton Vieira Vargas, and Lula Private Secretary Gilberto Carvalho. The wide-ranging discussion touched upon a number of different issues, including possible topics which might be raised at the upcoming March 9 meeting between POTUS and Lula in Sao Paulo, bilateral cooperation on biofuels, negotiations on an amended extradition treaty, and climate change. Minister Bastos indicated that he would soon be departing the cabinet and that current Minister of Institutional Relations Tarso Genro (part of the Rio Grande do Sul camp of the PT) would replace him. Bastos predicted that the President's new cabinet would be more disposed to working with the USG bilaterally than Lula's current, more ideological crew. For his part, Gilberto Carvalho conceded, Lula staff had not focussed a great deal on the March 31 visit given that POTUS's March 8-9 stop in Sao Paulo would occur first and that was monopolizing their attention. Lula, he declared, was busy preparing for his meeting with POTUS in Sao Paulo and very much wanted that event to go well and was anxious about it.
End Summary.

Discussion with Justice Minister Bastos

¶2. (SBU) Minister Bastos reiterated that the new Lula administration should be less ideological, saying that sometimes during the first term, some members of the administration had been ideologically still in the stone age. He added that the current, new generation of governors, figures such as Eduardo Campos of Pernambuco, Aecio Neves of Minas Gerais, and Jose Serra of Sao Paulo, is very business-minded and results-oriented. This all leads to a new political environment within Brazil. Turning to bilateral issues, the Ambassador mentioned that the USG would like to improve the current 3+1 (Argentina, Brazil, Paraguay plus the U.S.) counter-terrorism mechanism to make it more effective. Minister Bastos replied that now is an excellent time for that, as he finds that the ministers of justice in the southern cone region as well as Brazilian governors are much more receptive to integration and cooperation in areas of security and justice than before.

¶3. (SBU) The Ambassador inquired about the Minister's expected departure from the cabinet and who he expected would be his successor. Bastos replied that he thought President Lula would soon announce that Minister of Institutional Relations Tarso Genro would be his successor. Bastos said that he would move to Sao Paulo, but that he intends to continue his traditional weekly one-on-one meetings with President Lula in an advisory capacity even after he

leaves office. Comment: This is probably due to the fact that he is his personal attorney. End Comment. He added that the transition will likely take at least several weeks during which time Bastos will pass several complicated issues to Genro. Bastos suggested that while Genro is a member of the PT party, he is also worldly aware and open-minded, and should be considered a good contact as well, especially in light of the growing importance of issues covered by the Ministry of Justice.

14. (SBU) Bastos mentioned that he recently drafted 16 bills that could well have a significant impact on security issues. He had passed these measures on to President Lula who is currently reviewing them and should soon be making a public announcement. One of the bills would create 14,000 new beds in the Brazilian prison system so as to increase the GOB's capacity to keep criminals behind bars. The Ambassador mentioned that DEA Administrator Tandy would be visiting Brazil at the end of March and asked Bastos if he would be receptive to meeting her in Sao Paulo (a proposal to which the Minister agreed.) The Ambassador also noted that the USG would like to pursue an amendment to improve the existing extradition treaty, not to try to draft a new one. The Minister agreed that this would be a good idea, that the MOJ already has people studying this issue, and suggested that Dr. Antenor Madruga, who already has an ongoing relationship with the USDOJ, be the point of contact for continuing discussions on this.

Meeting with MFA U/S Vargas

15. (SBU) With respect to the upcoming POTUS visit to Sao Paulo, the Ambassador and Vargas agreed that increasing people-to-people contact, through tourism, business, science and technology, and exchanges, would be a worthwhile topic of discussion at the summit. The two noted that biofuels would be another key focus of

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discussion. Vargas then added what he said was a wholly personal (not discussed with others in the GOB yet) idea about inviting 5-10 heads of state to participate in a dinner at the close of a biofuels conference to be held in Rio de Janeiro next year. The Ambassador agreed that it would be good to discuss such an initiative at the summit. Vargas said he did not have specific information about which regional issues President Lula wished to bring up. He said he imagined that Lula would include the Doha Round in the list of international issues to be discussed. When the Ambassador asked whether Lula would bring up the Middle East, Vargas said it was more likely that FM Amorim would raise it during his March 8 encounter with the Secretary, but allowed that he could not predict with certainty what Lula would choose to raise with the President.

16. (SBU) The Ambassador asked if the issue of climate change and deforestation could arise during the March 31 summit at Camp David. Vargas noted that the GOB will be making a presentation at an international conference in Cairns, Australia the week of March 5, adding that the U.S. delegation had already been in contact with the Brazilian delegation regarding that presentation. He opined that Lula might bring up climate change and deforestation within the context of biofuels during the summit in Sao Paulo. For his part, the Ambassador noted the First Lady's interest in possibly addressing the theme of malaria, specifically the bed netting initiative. Vargas stated that this was a particularly important issue for the rural states of Rondonia, Acre, Mato Grosso and Amazonas.

Meeting with Lula Private Secretary Gilberto Carvalho

17. (U) The conversation with Carvalho, a member of Lula's inside circle, touched mostly upon the modalities regarding the March 8-9 POTUS visit to Sao Paulo and the return March 31 Lula visit to the U.S. Carvalho noted that the GOB was considering staging a business-themed event during the latter trip, possibly in Washington, D.C. or New York. Lula, he said, had a good story to tell with respect to the economy, adding that the President's second term could see further opening in terms of imports regardless of the outcome of the Doha Development Round. Other than that, Carvalho conceded, Lula staff had not focussed a great deal on the March 31 visit given that the March 8-9 trip would occur first and that was

monopolizing their attention. Lula, he declared, was busy preparing for his meeting with POTUS in Sao Paulo and very much wanted that event to go well.

Chicola